

SHRI R.L. JALAPPA: Sir, while arranging for exposure of these handicrafts this Corporation is holding several exhibitions. On 28th of this month also we are holding a bigger exhibition in Bangalore where we are expecting that about 500 foreigners will come there for purchase of these handicrafts and handloom clothes. In the last four years we provided them assistance. In 1992-93 we have given them Rs. 14.60 lakh; in 1993-94 it was Rs. 92.81 lakh and in 1994-95 it was Rs. 45.71 lakhs and in 1995-96 we have provided them ... (Interruptions)

MR. SPEAKER: His limited question is whether the Government's decision to open an emporium in Mumbai is going to be implemented.

SHRI R.L. JALAPPA: Sir, the emporium is already there. Unfortunately, it is incurring losses. Secondly, where they have set up this emporium, the landlord had demanded too much of rent which they could not pay. The emporium which was in a bigger building is now in a building which is concise. They have established the emporium in a smaller area. They cannot carry on the business there also. That is why the Board has taken a decision to close down the emporium in Mumbai.

MR. SPEAKER: Shri Pilot, you wanted to ask question.

SHRI RAJESH PILOT: I have no question.

SHRI PABAN SINGH GHATOWAR: Mr. Speaker Sir, I am very unhappy with the reply of the hon. Minister that they have taken a decision to close down the unit in Mumbai. The very creation of the North-East Handicraft Corporation was the genuine demand of the people from the seven States and that the artisans who are working in the handloom and handicraft sector are appreciated all over the country and even outside. This is the only agency who can encourage those artisans and weavers. Since they have no other means of subsistence than the popularity of those schemes, this Corporation was created. Now in the reply, the hon. Minister has said that for two years they have not given the accounts. For that reason, they have not sanctioned an amount of Rs. two lakh.

It is a Corporation of the Central Government and it is the responsibility of the Central Government to look whether that Corporation is performing properly or not. Sir, it is a very sentimental issue. The other emporia are working and only the North-Eastern section of the emporium the Government is deciding, on the plea of its incurring losses, to close down. That will greatly hurt the sentiments of the artisans and weavers of the North-Eastern region.

May I request the hon. Minister to reconsider his decision and see that that unit properly functions? They should give responsibility to some responsible officer to look into the affairs of this Corporation so that the hopes and aspirations of the weavers and artisans of the North-Eastern region will get proper attention.

SHRI R.L. JALAPPA: Sir, I will ask my officers to go to Mumbai and find out whether we should continue that branch of the emporium... (Interruptions). I have already assured the hon. Member that this amount of Rs. two lakh will be released and they must take the responsibility of sending audited reports for those two years... (Interruptions). When they do not forward the accounts, do they expect our officers to go from here to Shillong and get the accounts? They have to submit the accounts.

SHRI SONTOSH MOHAN DEV: Sir, when you were Minister of State for Industries and we were MPs, we in a Committee visited all these areas this is the outcome of this including Rehsums and others. There are so many public sector undertakings not complying with the loan taken from Shri Chidambaram's Finance Ministry. I do not think my good friend Shri Rajesh Pilot is wrong. With regard to Hindustan Fertilizers, there is a loss of Rs. 133 crores. There is no trace of it and the Government has not done anything. Here, for Rs. two lakh, you close down the emporium ... (Interruptions). You kindly see that this is immediately opened. The order must go today. (Interruptions).

MR. SPEAKER: I think he has answered that.

Smuggling of Gold

486. SHRI DINSHA PATEL:
SHRI SATYAJITSINH DULIPSINH
GAEKWAD:

Will the Minister of FINANCE be pleased to state:

(a) the number of cases of smuggling of gold detected during each of the last two years;

(b) the number of cases in which the officials posted at airports have been found involved in abetting such activity; and

(c) the number of officials prosecuted in this regard?

THE MINISTER OF FINANCE (SHRI P. CHIDAMBARAM): (a) to (c). A Statement is laid on the Table of the House.

STATEMENT

(a) to (c). The number of cases of smuggling of gold detected 'during each of the last two years are as follows:-

	No. of cases
1994-95	632
1995-96	702

During the same period, one officer of the customs department posted at Indira Gandhi International Airport,

Delhi, was suspected to be involved in smuggling of gold. Disciplinary proceedings against the officer are contemplated in consultation with Central Vigilance Commission. However a show cause notice has been issued to the officer under the Customs Act, 1962. As regards prosecution, a decision can be taken after conclusion of departmental adjudication which is currently in progress.

[Translation]

SHRI DINSHA PATEL: Mr. Speaker, Sir, the statement shows that there were 632 cases in 1994-95 and 702 in 1995-96. I would like to know from the hon. Minister the quantity of gold seized and the value thereof as also the amount of fine realised from those arrested.

[English]

SHRI P. CHIDAMBARAM: Sir, in 1994-95 the number of cases registered was 632, the quantity of the gold seized was 1,086 kgs., the value of the gold seized was Rs. 55.43 crore, 265 persons were arrested, 209 have been prosecuted and 59 have been detained under COFEPOSA Act. In 1995-96, 702 cases were registered, 1,052 kgs. of gold worth Rs. 54.17 crore was seized, 301 persons were arrested, 229 have been prosecuted and 64 have been detained under COFEPOSA Act.

[Translation]

SHRI DINSHA PATEL: An officer posted at the Indira Gandhi International Airport was suspected of involvement in gold smuggling. According to the reply, he was served a notice two years back. I want to know what happened to it. A big quantity of gold was smuggled by one officer alone. I would like to ask the Hon. Minister what reply was received to the notice issued under the 1962 Act and what action was taken against that officer... (Interruptions)

[English]

SHRI RAJESH PILOT: Sir, the moment smuggling is discussed, the BJP is coming inside.

SHRI P. CHIDAMBARAM: Sir, he should be happy that it is smuggling of gold.

Sir, an officer of the rank of Superintendent in Central Excise and Customs was *prima facie* found involved in abetment of smuggling of gold at the Indira Gandhi International Airport on the night of 19th-20th of August, 1995. A statement by the passenger has been recorded and of another person who was waiting outside the Customs Hall. He identified the Superintendent of Central Excise. A slip of paper was also recovered. Disciplinary action is being contemplated against the officer under the Conduct Rules. The case has been referred to the Central Vigilance Commission for first stage advice. Simultaneously a show cause Notice under the Customs Act has also been issued.

As soon as we receive the first stage advice from the Central Vigilance Commission, further disciplinary proceedings will be taken.

SHRI RAJESH PILOT: Mr. Speaker, Sir, the hon. Minister may consider the speech made by the Revenue Secretary in the DGs' Conference a year back to the effect that about Rs. 40,000 to Rs. 50,000 crore is in the pipeline through smuggling, narcotics, *havala* and different other racketts. This was the speech given by the Revenue Secretary at that time to the DGs' Conference. At that time, the response from the DGs was that not many teeth were there in the law. We initiated action to bring a more teething edge to the law. It is in the process. This is one of the diseases which poses a threat to the internal security of the nation and all other things are born out of this. What action does the Government propose to take in this direction because this is one of the important sectors where the Government must pay its attention?

12.00 hrs.

SHRI P. CHIDAMBARAM: Sir, we are talking about gold. There is a great appetite for gold in this country. If you try to prevent it completely, it will be smuggled. That is why the previous Government and I think rightly allowed the import of gold through legitimate sources, that is NRIs returning and one through the EFC account. Now, large amount of gold comes through legitimate channels and also earns revenue for the Government. For example, in the last year, 1995-96, 218 tonnes of gold came to the country through legitimate channels. Yet Intelligence shows that the appetite for gold, the demand for gold in this country is about 450 to 500 tonnes. As long as that appetite is there and all you have to do is, go back home and ask why this appetite is there the gold will be smuggled into the country. Even the poorest people somehow find a need to buy some gold. I think, over a period of time we should liberalise this policy. But at the moment, this is the policy.

WRITTEN ANSWERS TO QUESTIONS

Losses to Indian Bank

*484. KUMARI SUSHILA TIRIYA:
SHRI GEORGE FERNANDES:

Will the Minister of FINANCE be pleased to state:

- (a) whether Indian Bank has reported a loss of thousands crores of rupees during 1995-96?
- (b) if so, the details thereof and the reasons therefor;
- (c) whether any inquiry has been conducted in the matter?
- (d) if so, the outcome thereof and the action taken thereon;